GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:751
ANSWERED ON:05.12.2003
OUTSTANDING LOAN AGAINST BIHAR
RAGHUVANSH PRASAD SINGH

Will the Minister of FINANCE be pleased to state:

(a) the total outstanding amount of loan against the State of Bihar, till date;

(b) the extent of amount the State government of Bihar have to provide for repaying the principal and interest against loans every year;

(c) whether Bihar has to shell out a huge chunk of its revenue in repaying its loan;

(d) if so, whether any scheme has been formulated by the Central Government to emancipate the State of Bihar from loans; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

SHRI ANAND RAO V. ADSUL:

(a): Loan amounting to Rs. 10935.81 crore of Ministry of Finance is outstanding against the Government of Bihar as on 31.10.2003.

(b): The Government of Bihar have to repay an amount ofRs. 2058.51 crore during 2003-04 towards principal & interest, against outstanding loans of Ministry of Finance.

(c): Loan repayment and interest payment liability of the Government of Bihar constitutes 29% of total RevenueReceipts on an average.

(d) & (e): Government of India has formulated a Debt SwapScheme to help States reduce their debt burden. The scheme enable State (s) to prepay expensive loans contracted from government of India in the past, with current low coupon bearing Small Savings & Open Market Loans. Under this scheme, during 2002-03 & 2003-04 (April-October, 2003) outstanding high cost debt amounting to Rs. 2074.60 crore owed by the State Government towards Government of Indiawas swapped with Small Saving Loans & Additional Open Market Borrowings.